



GIFT City insights:

Q2 2025 update



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GIFT City continues to grow as a key driver of international financial services. With a clear regulatory framework, strong infrastructure, and a growing base of international institutions, it is establishing itself as a practical and compelling hub for global financial activity. This quarterly update is intended to keep you informed and aligned as we close Q2 2025.

1. Key highlights from the 24th [IFSCA Authority Meeting](#) – June 2025

The IFSCA Authority approved several key regulatory developments aimed at strengthening GIFT IFSC's global positioning:

- ✓ **Transition bonds framework:** A new framework was approved to support capital raising by hard-to-abate sectors, with requirements for credible transition plans, global taxonomy alignment, and enhanced disclosures.
- ✓ **Third-party fund management services:** Amendments to allow FMEs to manage restricted schemes on behalf of overseas/domestic managers without physical presence in IFSC, with strong governance and risk controls.
- ✓ **TechFin and Ancillary Services Regulations, 2025:** A unified framework was introduced to regulate tech-enabled and support services, promoting innovation and operational efficiency. A 24-month transition period is provided for existing service providers.
- ✓ **Regulation-making process update:** Revised procedures to expand public consultation and stakeholder engagement in both regulations and subsidiary instruments.
- ✓ **Global recognition:** IFSCA was inducted as a Governing Member of the International Organisation of Pension Supervisors, reinforcing its global regulatory stature.

2. Global access framework: a new era of cross-border investment

The [Revised Consultation Paper on the Draft Revamped Regulatory Framework for Global Access](#) in the IFSC proposes a streamlined regime for international investors to access global markets via GIFT IFSC. This framework simplifies access to global markets, particularly for international investors and broker-dealers.

Key features include:

- ✓ Simplified onboarding and KYC for foreign investors
- ✓ A regulated pathway for broker-dealers and intermediaries
- ✓ Enhanced transparency under the Liberalised Remittance Scheme ("LRS")

For family offices and HNIs, easier onboarding and KYC under LRS means faster deployment of capital abroad. For fund managers, a regulated pathway builds credibility and reduces friction in cross-border transactions. For investors, greater transparency under LRS builds trust and regulatory clarity.

3. SPV framework: structuring with precision

The [SPV Framework under IFSCA \(Fund Management\) Regulations](#) allows fund managers to establish Special Purpose Vehicles (“SPVs”) for:

- ✓ Co-investment alongside controlling schemes
- ✓ Leveraged transactions at the SPV level
- ✓ Ring-fencing of investments and risk segregation

The SPV framework allows fund managers to structure co-investments and manage risk more effectively. For fund managers, it enables ring-fencing of liabilities and tailored investment structures. For institutional investors, it offers co-investment opportunities with better governance and transparency. Additionally, we can offer SPV setup and management services to clients seeking cost-effective structuring.

4. Tokenisation and transition bonds: innovation with impact

IFSCA's Q2 consultation papers include groundbreaking initiatives: [Tokenisation of real-world assets](#). This enables blockchain-based fractional ownership of real estate, infrastructure, and other illiquid assets.

Transition bonds framework: This supports ESG-aligned capital raising for companies transitioning to greener operations.

These initiatives open up new asset classes and ESG-aligned investment opportunities. For investors, it means access to fractional ownership in real assets and green finance instruments. For fund managers, it provides new product offerings to attract ESG-conscious capital. For family offices, it offers diversification into tokenised assets with regulatory backing.

5. TechFin Sandbox: enabling financial innovation

This sandbox fosters innovation in fintech, compliance, and cross-border payments. For fintechs and startups, it provides a safe space to test and scale solutions. For fund managers, it offers access to cutting-edge tools like robo-advisory and AI compliance. For clients, it means improved service delivery and cost efficiency.

The [TechFin and Ancillary Services Regulations](#) propose a sandbox-style regime for fintechs in the IFSC, covering:

- ✓ AI-driven compliance tools
- ✓ Digital custody and robo-advisory platforms
- ✓ Cross-border payment innovations

6. Regulatory transparency: a participative approach

Institutionalising public consultation ensures that regulations are more predictable and inclusive. For all stakeholders, it provides better foresight into regulatory changes. For fund managers and legal teams, it offers an opportunity to shape the regulatory landscape.

IFSCA's [Procedure for Making Regulations and Subsidiary Instruction Regulations](#), 2025 institutionalises public consultation for all major regulatory instruments, enhancing predictability and stakeholder engagement.

7. Market momentum: GIFT City in the spotlight

Major institutions setting up in GIFT City signal growing confidence and ecosystem maturity. For clients, it reinforces trust in choosing GIFT City as a financial base. For fund managers, it means more counterparties, service providers, and talent availability.

- ✓ Infosys launched a [1,000-seat TechFin development center](#) in GIFT City
- ✓ Qatar National Bank became the first MEA-region bank to open a branch in GIFT City
- ✓ Tata AMC received approval to launch India-focused funds from GIFT IFSC
- ✓ GIFT Nifty hit a record monthly turnover of [\\$102.35 billion in May 2025](#)

8. Family Offices: unlocking offshore access via GIFT City

Regulatory changes have made GIFT City the preferred route for offshore investments. For family offices, it means seamless access to global markets with tax neutrality. For advisors, it offers an opportunity to structure compliant, efficient investment vehicles.

Indian family offices are increasingly using Category III AIFs in GIFT City to access offshore markets. This shift follows regulatory changes that restricted direct overseas investments. Through GIFT IFSC:

- ✓ Family offices can invest in global equities, debt, and alternatives
- ✓ They benefit from tax neutrality and regulatory clarity
- ✓ Structures are compliant with FEMA and SEBI norms

9. Talent and education: building the future of finance

A strong talent pipeline ensures long-term sustainability of the financial ecosystem. For institutions, it means access to skilled professionals trained in international finance. For startups and fintechs, it offers collaboration with academia for innovation and hiring.

GIFT City is rapidly becoming a hub for financial education and innovation:

- ✓ The Indian Institute of Foreign Trade is launching a new campus offering MBA (International Business) and executive programs
- ✓ The GIFT International Fintech Institute and GIFT International Fintech Innovation Hub are nurturing fintech talent and startups
- ✓ IFSCA has enabled [foreign universities to set up International Branch Campuses](#) in GIFT IFSC, offering programs in finance, fintech, STEM, and more

10. Top 5 GIFT City headlines

These headlines reflect the momentum and credibility GIFT City is gaining globally. For clients, it reinforces trust in choosing GIFT City as a financial base. For prospects, it signals a maturing ecosystem ready for global participation.

- ✓ [Fund houses plan retail-focused schemes at Gift City for overseas play](#)
- ✓ [S&P Global Ratings Singapore PTE becomes 1st foreign credit rating agency to set up base in GIFT City](#)
- ✓ [Banks from France, UAE queue up at Gift City](#)
- ✓ [This key Bill has a bagful of GIFTs for Indian airlines, global aircraft leasing firms](#)
- ✓ [GIFT City is changing how—and where—Indians invest](#)

11. Our role in advancing the GIFT City vision

Our GIFT office has been actively engaged with GIFT City and IFSCA, contributing to the growth and development of the ecosystem. Our involvement includes participating in key events such as Aircraft Leasing, providing valuable inputs on consultation papers on tokenisation and Ancillary Business, and actively collaborating with academia to develop a skilled talent pool. These efforts underscore our commitment to the GIFT City vision and our role as thought leaders in the industry.

In addition, we have been working on enhancing our product offerings to better serve our clients. Our latest initiatives include:

- ✓ **Aircraft leasing solutions:** Streamlining the leasing process for clients with comprehensive support and expertise.
- ✓ **Tokenisation services:** Leading the way in digital asset management with secure and efficient tokenisation solutions.
- ✓ **Talent development program:** Partnering with academic institutions to nurture the next generation of financial professionals.

We are proud of our contributions to the GIFT City ecosystem and remain dedicated to driving innovation and excellence in the financial sector.

[Get in touch today](#) to find out more or to benefit from a free consultation with one of our experts.





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